

## Saint-Gobain to invest Rs.10 bn in Rajasthan

The Indian arm of French float-glass manufacturer Saint-Gobain is setting up a 300,000 tonne plant at Bhiwadi in Rajasthan with an investment of Rs.10 billion (\$250 million), top company officials said.

The new plant will take the company's capacity to 750,000 tonnes per annum, as its Rs.15 billion unit at Sriperumbudur near here has a capacity of 450,000, Saint-Gobain India managing director B. Santhanam told a press conference here.

'The investment in the first phase of the new unit will be Rs.10 billion,' said Santhanam, who is also president of the group's float glass division for South Asia.

'There is adequate cash generation to meet the capital expenditure,' said Anand Y. Mahajan, general delegate, South Asia, Saint-Gobain. 'There are options like borrowing locally or in [Europe](#) or inter-corporate borrowing from group outfits.'

Explaining the rationale for the proposed investment in Rajasthan, Santhanam said the logistics cost is around 15 percent of sales realisation; this would be reduced as the plant will be near the targeted market - northern India.

He said the company and the Rajasthan government have discussed the project, that will require around 150 acres of land.

Saint-Gobain gets just a shade less than a third of its total sales from northern and western India, while east accounts the least.

According to Santhanam, the domestic glass industry is growing at 18-20 percent annually since 2000 on the back of economic growth and a booming construction sector.

The high-end realty segment, where glass has become an integral part of design, is growing faster.

'Trends like the green building movement have encouraged usage of glass in a more evolved manner,' he added.

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